

**MINUTES OF THE
BUSINESS, ECONOMIC DEVELOPMENT, & LABOR
APPROPRIATIONS SUBCOMMITTEE
Room 210, Senate Building
January 29, 2013**

Members Present:

Sen. Brian E. Shiozawa, Senate Chairman
Rep. Jim Bird, House Chairman Rep.
Stewart E. Barlow, House Vice Chair Sen.
Curtis S. Bramble Sen. Gene Davis Sen.
Wayne A. Harper Sen. Scott K. Jenkins Sen.
Stuart C. Reid Rep. Patrice M. Arent Rep.
Jeremy A. Peterson Rep. Val L. Peterson
Rep. Angela Romero Rep. V. Lowry Snow
Rep. Ryan D. Wilcox

Members Absent:

Sen. Jerry W. Stevenson
Rep. James A. Dunnigan
Rep. Dixon M. Pitcher
Rep. Brad R. Wilson

Staff Present:

Dr. Andrea Wilko, Chief Economist
Mr. Zackery King, Fiscal Analyst Ms.
Rosemary Young, Committee Secretary

Note: A list of visitors and copy of handouts will be filed with committee minutes.

Chair Bird called the meeting to order at 8:10 a.m. and invited the committee members to introduce themselves.

Dr. Wilko explained how committee members and others can access the materials in their binders electronically, and using a handout explained the COBI, how to navigate in it, and the kinds of information to be found in it. She referred to two handouts, one concerned SharePoint which gives additional helps for legislators to find information electronically and the second listed key questions they may ask agencies in budget hearings. She explained that the committee will be asked to approve federal funds, intent language, fees, and budgets.

Chair Bird emphasized the importance of the agencies being prepared to answer the key questions previously referred to.

Department of Heritage and Arts

Dr. Wilko gave an overview of the Budget Briefs for the divisions in the department, details of which may be accessed on line by going to the committee through the Legislature home page. There was discussion about the creation of jobs through the preservation of historical buildings, most of the jobs being in construction and lasting only as long as the project.

There was some discussion about pass-through funds for entities such as Tracy Aviary and that the Zap tax is raised and administered locally and is not part of the committee's responsibility.

The subject of the Navajo Trust Fund came up, and it was made clear that those funds are not to be used by the state agency, but they are administered by the state.

Julie Fisher, Executive Director, and Geoffrey Fattah, Public Information Officer, distributed a copy of the 2012 Annual Report. The Director thanked members of the committee for visiting their new facility at the Rio Grande in October and invited the rest to come when time permits. The mission of the department is to preserve and promote the heritage of the arts in the state and the cultural development of the state. Department leadership were introduced and the committee was informed that Wilson Martin, head of state history, will soon retire.

The department has an economic influence by improving the quality of place and encouraging innovators and creators. It is difficult to show return on investment, but the department is confident that it enriches the quality of life in Utah and does help create jobs.

Optimization initiatives begun in 2011 resulted in the housing-related functions being moved to another department and the name of this department being changed to Department of Heritage and Arts. Relocating to state-owned space reduced annual lease and O&M costs by 76%. A total reduction of administrative costs resulted in returning to the General Fund \$280,000. The Department is asking for \$27,300 one-time in both 2013 and 2014 to provide security equipment in their new facility.

It was explained that the \$22,000 being requested for Arts & Museums is for a truck to carry the special climatized van to carry art works.

Utah does not have a state history or art museum, but a significant amount of money has been spent to digitize the collections making it possible to share the cultural resources on line throughout the state. The challenge is deciding which of the vast resources to digitize. The digitization initiative identified three critical digital business functions: collections, databases, and grants management. All three targets have shown marked improvement. As a matter of interest, one of the most used databases is the cemetery database.

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Geoffrey Fattah, PIO Communications Director, informed the committee that the Division of Arts and Museums serves about 149 non-profit organizations and about 200 museums statewide and helps support arts organizations and individual artists through grants programs and contests. Utah is home to the first state arts agency in the nation founded in 1899. A key accomplishment has been the summer arts program begun 13 years ago in Nebo School District. The American Indian graduation rate rose from 37% in 1998 to 92% in 2011. Sales of art by Utah artists and art galleries contributed \$184,000,000 to Utah's economy. In 2011, Utah surpassed the nation in the per capita number of creative jobs and music store sales. Utah museums receive 4.4 million visitors annually.

Utah ranks #1 in the nation for volunteers with an average volunteer rate of 44.5% and an average of 89 hours served annually which amounts to a \$3.8 billion economic contribution to our economy annually. Over 11,000 students have been tutored through the Utah AmeriCorps Literacy Initiative with 89% of the students participating showing a significant increase in reading fluency.

Director Fattah outlined the purposes and membership of the Multicultural Commission which is overseen by the Office of Multicultural Affairs. The Office focuses on desired outcomes for all ethnic minorities rather than on specific ethnicities in the following areas: community partnerships, health, corrections, education, and economic development.

It was pointed out that almost half of Utah's Native American population resides along the Wasatch Front. Tribes manage 2.4 million acres of reservation land, and those lands contain almost 25% of oil and gas wells in Utah. The Division of Indian Affairs hosts annually an Indigenous Day celebration and in partnership with the Governor and Lieutenant Governor a Native American Summit.

Through historic tax credit projects the Division of State History creates 1,000 jobs annually in Utah. The division has made over 475,000 historic images available online, and Utahns access State History websites nearly one million times a year. Mineral exploration projects have to be assessed for impact on culturally sensitive areas. This division has that responsibility and last year had a record number of consultation cases (2,634) and has been able to respond in less than half the time required by law thus streamlining developments and allowing projects to move forward expeditiously.

Nationally, Utah libraries rank #3 in the total number of items borrowed. More than 18 million visits were made to Utah public libraries in 2011, more than visitors to Zions National Park. Two out of three Utahns have a library card. PIONEER is Utah's online library which brings

audiobooks, eBooks, research tools, genealogy business information and car repair manuals to

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every corner of the state. According to the National Library Service, Utah has the world's largest Braille library collection, and the Blind and Disabled Program circulates over 300,000 items annually for qualifying patrons.

In 2012 the Department collaborated with other state agencies in over 80 different areas, such as the state library working with the Department of Corrections in the reading for the blind program. There was some discussion about the book mobile program, and Donna Morris, State Librarian, explained that it is a cooperative program between the state and county governments. She reported on volunteer hours for the State Library in 2012 as 32,686 with a value of \$585,733.12.

There was additional discussion about the difficulty of quantifying return on investment by the Department. Also use of space in the new facility was discussed, such as private events being held there or use of space by other agencies.

Margaret Hunt, Director of Arts and Museums, answered a question concerning the effects of the recession on arts and museums. There appears to be some recovery in attendance.

Director Fisher explained some of the reasons why the summer arts program in the Nebo School District was so successful beginning with Irene Quintana who runs the program and including good administrative support. Efforts are being made to import the program to other parts of the state in an effort to raise the education rates and economic situations of the Native American population.

MOTION: Sen. Reid moved to adjourn. The motion passed unanimously with Sen. Bramble, Sen. Davis, and Sen. Jenkins absent for the vote.

Rep. Bird adjourned the meeting at 9:45 a.m.

___ Sen. Brian E. Shiozawa, Chair

___ Rep. Jim Bird, Chair

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